

Yoshida *et al.* (US 6,690,417) [“Yoshida”]. Therefore, claims 5/1 and 5/2 were rejected under Hiyama in view of Yoshida.

The amendment of June 23, 2005, merely rewrote claim 5/1 in independent form as claim 5. Accordingly, the subject matter of claim 5/1 (now claim 5) was not amended.

The MPEP is clear in that the proceedings will not be made final if there are new grounds of rejection on a claim that has not been amended. See MPEP §1706.07(a) at 700-74-75. Here, the rejection of claim 5 (originally 5/1) has been changed from a §103 rejection using the combination of Hiyama and Yoshida to a §102 rejection using Hiyama.

Therefore, Applicants request that the Examiner withdraw the finality of this Office Action.

2. Rejections Under 35 U.S.C. § 102

The Examiner has rejected claim 5 under 35 U.S.C. § 102(a) as being anticipated by Hiyama *et al.* (US Patent No. 5,361,203) [“Hiyama”]. For at least the following reasons, Applicants traverse the rejection.

Claim 5 recites an image storage and display system that comprises a “storage control means [that] obtains said irreversible compressed image data by subjecting said original image data to a progressively extractable data-compression process.” (emphasis added). The Examiner contends that Fig. 8 of Hiyama discloses this feature. Specifically, the Examiner contends that image compression device 66 performs the claimed progressively extractable data-compression process. Office Action at page 3.

In response to Applicants arguments that Fig. 8, at most, discloses a simple compress process and not the claimed progressively extractable data-compression process, the Examiner merely contends that “Fig. 8 clearly shows” the claimed process without providing any further details as to how the compression process is progressively extractable. Office Action at page 3.

Applicants submit that “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). Here, the Examiner, in interpreting claim 5, is ignoring the phrase “progressively extractable.”

Fig. 8 discloses a block with the caption “Image Compression Device.” There is no disclosure or suggestion that the image compression device performs a progressively extractable data-compression process (an illustrative, non-limiting example would be a wavelet transformation). Similarly, the description in Hiyama, at most, discloses that image compression device 66 performs reversible and irreversible compression. There is no disclosure or suggestion that the data compression is progressively extractable. In addition, since a sequential coding compression can be performed on image data, the claimed progressively extractable data-compression process would not necessarily be inherent to the disclosure in Hiyama.

Therefore, Applicants submit that a rejection under §102 is improper since Hiyama does not disclose or suggest at least the claimed progressively extractable data-compression process as set forth in claim 5.

3. Claim Rejections Under 35 U.S.C. § 103

The Examiner has rejected claims 1, 3, 4, 6, 7, 11, 12, 14-18, 22, 24, 27 and 28 under 35 U.S.C. § 103(a) as being unpatentable over Hiyama in view of Yoshida. For at least the following reasons, Applicants traverse the rejection.

Claim 1 recites an image storage and display system that comprises a “storage control means [that] is capable of changing a compression ratio of said irreversible compressed image data.” The Examiner concedes that Hiyama does not disclose this feature but applies Yoshida to allegedly cure the deficiency.

The Examiner contends that one skilled in the art would have been motivated to modify the system in Hiyama with the teachings of Yoshida in order to “control the amount of image data to be stored in memory.” Office Action at page 7. In addition, the Examiner contends that “since Hiyama’s objective is to record a large number of image data[,] it is necessary to control the amount of data so that it cannot exceed the memory storage capacity. Thus, the compression ratio needs to be varied for controlling such an amount as taught by Yoshida.” Office Action at page 2.

Applicants submit that the Examiner is mischaracterizing the teachings of the prior art. Hiyama merely discloses that a large amount of image data is recorded. Although Hiyama may disclose that image data is compressed, one skilled in the art would recognize that the compression is to make more efficient use of the storage system while keeping data loss to a minimum. There is no disclosure or suggestion in Hiyama that images must be compressed in order to keep from exceeding the storage capacity. Accordingly, there is no disclosure or

suggestion in Hiyama that because of the large amount of image data, “the compression ratio needs to be varied.”

In fact, Hiyama discloses that its system comprises a large capacity hard disk 70 to store one-week reversibly-compressed image data and two-week irreversibly-compressed image data (col. 5, lines 25-30). Hiyama also discloses the irreversibly-compressed image data in hard disk 70 is further timely recorded in a large capacity storage medium 77 and that storage medium 77 is exchanged with a new one when the available storage becomes less than a predetermined amount (col. 6, lines 15-28, Fig. 9).

Accordingly, in direct contrast to the implications of the Examiner, Hiyama teaches the use of large capacity storage that is not unduly limited, and Hiyama also teaches that any storage capacity limitations are handled by transferring data to another storage medium. Therefore, the need to vary the compression ratio does not exist in the system of Hiyama as contended by the Examiner.

In addition, the system in Yoshida primarily looks at available space when varying the compression ratio (Abstract). There is no disclosure or suggestion that other factors (e.g., the subject matter of the image) are considered when varying the compression ratio. Without such teachings, Applicants submit that the data loss associated with the variable compression as taught by Yoshida may be detrimental in a system that requires high-quality images since it could create an image with too much data loss.

Although such a loss may not be critical for the digital camera/telephone disclosed in Yoshida, the loss of image data would be very critical for the medical endoscope images of

Hiyama. Accordingly, one skilled in the art would not have combined the teachings as suggested by the Examiner, and the Examiner has failed to make a *prima facie* case of obviousness.

Because claim 14 recites features similar to that of claim 1 and the Examiner's rejection of claim 14 is similar to that given in claim 1, Applicants submit that the Examiner has failed to make a *prima facie* case of obviousness for at least reasons similar to those given above with respect to claim 1.

Applicants submit that claims 3, 4, 6, 7, 11, 12, 15-18, 22, 24, 27 and 28 are patentable at least by virtue of their respective dependencies.

4. Allowable Subject Matter

Applicants thank the Examiner for allowing claims 8-10 and 19-21. Applicants also thank the Examiner for indicating that claims 13, 23, 25 and 26 would be allowable if rewritten in independent form.

Applicants hold rewriting claims 13, 23, 25 and 26 in abeyance until the subject matter regarding their respective base claims is resolved.

In the reasons for allowance for claim 10, the Examiner does not accurately recite the language in claim 10. Therefore, Applicants submit that each claim is allowable based on its own language and not based on any paraphrasing or addition of language that may have been made by the Examiner.

5. Conclusion

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the

Response under 37 C.F.R. § 1.116
U.S. Serial No. 09/774,885

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Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

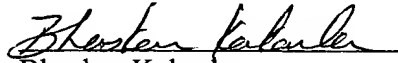
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